

Economic Injury Disaster Loan (EIDL)

Fact Sheet

- The U.S. Small Business Administration (SBA) is offering low-interest federal disaster loans through its Economic Injury Disaster Loan (EIDL) program.
- The EIDL program will make low-interest loans available to eligible entities to help pay for working capital and alleviate economic injury caused by the Coronavirus (COVID-19).

Economic Injury Disaster Loan (EIDL) Program Details

- The maximum loan amount has been reduced from \$2 million to \$150,000 so more businesses can access funds to keep their businesses afloat.
- Loans may be used to pay fixed debts, payroll, accounts payable, and other bills that are unable to be paid due to COVID-19.
- Interest rates are 3.75% for small businesses and 2.75% for non-profit organizations.
- Maximum term for loan repayment is 30 years.
- Borrowers are assigned an individual loan officer for servicing of the loan.

Emergency Economic Injury Grants

- Emergency Economic Injury Grants provide an emergency advance of **up to \$10,000** to eligible entities within 3 days of applying for SBA's Economic Injury Disaster Loan.
- To access the advance, you must first apply for an EIDL and then request the advance.
- The advance does not need to be repaid if it is used to keep employees on payroll, pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage insurance payments.
- **As of July 11, funding for the Emergency Economic Injury Grant has been exhausted.**

If you need additional information or assistance, or if you apply for a loan and are denied, please contact my office via email at NY04.SmallBusiness@mail.house.gov.

Preparing for an Economic Injury Disaster Loan

What are the criteria for a loan approval?

- Credit History: Applicants must have a credit history acceptable to SBA.
- Repayment: SBA must determine that the applicant business has the ability to repay the SBA loan.
- Eligibility: The applicant business must have suffered working capital losses due to the disaster, not due to a downturn in the economy or other reasons.

What should I do before and while the loan application is being processed?

- Contact your vendors. Work with them to get better payment terms than you currently have.
- Prioritize your vendor payments according to your most crucial services and the vendor's ability to work on better terms of payment.
- Make good faith payments to vendors and employees to stay as current as possible.
- If you haven't already, work with your accountant to file your 2019 tax returns as quickly as possible.
- Prepare income statements complete with monthly sales reports from 2019 and 2020 to date.
- For additional information about the SBA's Economic Injury Disaster Loan, please contact the SBA disaster assistance customer service center at 800-659-2955 or e-mail disastercustomerservice@sba.gov.

Am I eligible for a loan or grant?

- Businesses, cooperatives, and ESOPs with no more than 500 employees, as well as non-profit organizations, sole proprietors, and independent contractors are all eligible.
- The applicant must have suffered working capital losses due to the COVID-19 outbreak, not due to a downturn in the economy or other reasons.
- To be eligible for an Emergency Economic Injury Grant, eligible entities must have been in operation since January 31, 2020, when the public health crisis was announced.

How do I apply for a loan or grant?

- You may apply online or through the mail. There's no penalty for submitting both ways.
- Application forms and instructions can be found at <https://covid19relief.sba.gov/#/>
- Call the Hauppauge SBA office for more information at (631) 454-0750.

AVOID DUPLICATION OF BENEFITS: EIDL applicants may also apply for the SBA's Paycheck Protection Program (PPP). For example, you can use both EIDL and PPP for payroll, but not in the same time period for the same workers. Consult with your financial institution, loan officer, or the local SBA office in Hauppauge for clarification.

Applicants are not obligated to accept loan offers once made. Please consult with your accountant to make sure this makes sense for you and your business.

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